

Agenda Item: 12-5A.1

Meeting Dates: August 11 and 12, 2004

**CONSIDERATION OF A RESOLUTION APPROVING ECOSYSTEM RESTORATION
PROGRAM GRANTS AND AUTHORIZING THE DIRECTOR, OR DESIGNEE TO
PROCESS THE APPROVED GRANTS**

Summary: This resolution would approve two grants for ecosystem restoration projects, totaling \$6,354,610 that further the Ecosystem Restoration Program. The two projects these grants will support are described in Attachment 1.

Recommended Action: Staff recommends that the Authority adopt the attached Resolution.

Background

The Ecosystem Restoration Program (ERP) is completing its review of ecosystem research and restoration projects seeking grant funds from the Authority. Two are being presented for action today.

These proposals initially were submitted in response to the ERP's 2002 Proposal Solicitation Packages (PSP). They were not selected for funding then, but the Selection Panel recognized that they were potentially high priority projects and recommended they be reconsidered after the proposals were revised to correct shortcomings identified during their review. Revised proposals for these projects were resubmitted, have been favorably reviewed by independent technical experts, offered for public comment by local governments and other stakeholders, and are recommended for approval by the Selection Panel.

Attachment 1 describes each project, how it helps achieve the ERP's goals, the reasons for the Selection Panel's funding recommendation, and important issues raised by agency and public comments on the proposal. The full proposals, their reviews, and public and agency comments on them are on-line at:

<http://calwater.ca.gov/Programs/EcosystemRestoration/Ecosystem2002DirectedAction.shtml>

The Bay-Delta Authority Act specifies that the Authority may disburse funds through grants (Water Code § 79420(a)(6)). These grant proposals are being recommended for funding based on the following selection criteria

- The grant proposal is for an eligible project within the meaning of Proposition 50 (Water Code, §79550) because it implements the CALFED Bay-Delta Program's ecosystem restoration program.
- The grant proposal meets the goals and objectives of the CALFED Program.
- The grant proposal meets the detailed specifications contained in the 2002 PSP or the draft Stage 1 Implementation Plan and adequately addresses comments made by the Selection Panel.

One proposal initially submitted in response to the 2002 PSP remains to be acted upon by the Selection Panel – the Bureau of Reclamation's *Battle Creek Salmon and Steelhead Restoration Project*. The Selection Panel will finish its review of that proposal after the project's environmental impact statement is completed later next year.

Fiscal Information

These grants are being presented to the Authority for approval of funding. In the fiscal year 2004/2005 budget, the Authority received a two-year appropriation from Proposition 50's Bay-Delta Ecosystem Restoration Account, of which about \$54 million remains available. Accordingly, the Authority has approval responsibility for these funds in its budget and is being asked to make the final funding decisions for these grants.

Funding Source: Proposition 50

Term of Grant: Grants may extend up to 3 years

Total Amount: \$6,354,610

List of Attachments

Attachment 1 – Description of two ecosystem restoration grants
Resolution 04-08-05

Contact

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Attachment 1 Ecosystem Restoration Project Descriptions

Proposal Number: 130DA

Applicant Organization: San Francisco Estuary Institute

Proposal Title: *A Pilot Program for Monitoring, Stakeholder Involvement, and Risk Communication Relating to Mercury in Fish in the Bay-Delta Watershed*

Recommended funding: \$4,513,819

Conditions: Add a new task, to be carried out by the California Environmental Protection Agency's Office of Environmental Health Hazard Assessment, including participation in the project's stakeholder advisory committee and development of updated fish consumption advisories for the Delta and Sacramento and San Joaquin Rivers.

Description: The project will monitor mercury in sportfish and other species in the Bay-Delta system for three years. Results will be used by the Department of Health Services to educate anglers and others about eating fish caught in the system. A stakeholder advisory committee representing local agencies and other organizations will guide the effort. The project carries out an important action of the *Mercury Strategy for the Bay-Delta Ecosystem* that the Authority has endorsed.

The Selection Panel recommended funding as submitted. The California Environmental Protection Agency's Office of Environmental Health Hazard Assessment (OEHHA) commented on the recommendation, pointing out that the project would be less effective than anticipated because OEHHA lacked sufficient resources to participate in the advisory committee or to update its fish consumption advisories to reflect information gathered through the monitoring program. In response to this concern, the amount recommended has been increased by an additional \$190,815 to support OEHHA's participation in the committee and to update fish consumption advisories for the Delta and Sacramento and San Joaquin Rivers. The project proponents and OEHHA concur that the agency's concerns regarding the breadth and design of contaminant sampling can be resolved by the project's advisory committee.

CEQA Lead Agency: The Authority is the lead agency for CEQA in approving this grant. However, staff has determined that all activities that will take place with the grant funds qualify for the "Class 6" categorical exemption (basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource...").

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Proposal Number: 151DA

Applicant Organization: Sonoma Ecology Center

Proposal Title: *Arundo Eradication and Coordination – Phase II*

Recommended funding: \$1,840,791

Description: This is a 3-year project to continue and expand efforts to control giant reed in 11 areas: the Lindo Channel near Chico; San Francisquito, Sonoma, Walnut, Putah, Cache, and Willow Creeks; the Napa, lower American, and San Joaquin Rivers; and the Gray Lodge Wildlife Area.

The Selection Panel recommends funding as submitted.

CEQA Lead Agency: The Department of Fish and Game will act as CEQA lead agency on behalf of the grantee. The Authority's approval of grant funding is conditioned upon ensuring that CEQA compliance is accomplished.

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**CALIFORNIA BAY-DELTA AUTHORITY
RESOLUTION 04-08-05**

**APPROVING ECOSYSTEM RESTORATION PROGRAM GRANTS AND
AUTHORIZING THE DIRECTOR, OR DESIGNEE
TO PROCESS THE APPROVED GRANTS**

WHEREAS, the Ecosystem Restoration Program presents a comprehensive vision for improving and increasing aquatic and terrestrial habitats and improving ecological functions in the Bay-Delta ecosystem; and

WHEREAS, those State and Federal agencies with CALFED Program restoration funds have coordinated their efforts to solicit for, and select, the best projects to implement the Ecosystem Restoration Program, with assistance of the staff from the California Bay-Delta Authority; and

WHEREAS, the Authority has received a two-year appropriation of Proposition 50 Bay-Delta Ecosystem Restoration Account funds in its Fiscal Year 2003/2004 Budget; and

WHEREAS, the Authority may distribute funds through grants; and

WHEREAS, the two proposals listed below constitute eligible projects for purposes of receiving Proposition 50 Bay-Delta Ecosystem Restoration Account funds; and

WHEREAS, the two proposals listed below meet the objectives of the CALFED Program; and

WHEREAS, approval of these two grant proposals shall be conditioned upon each grantee complying with all applicable laws and regulations;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby approves grants to the projects listed below, and authorizes the Director or his designee to process the approved grants, subject to the availability of appropriated funds:

- \$4,513,819 to the San Francisco Estuary Institute for its project: *A Pilot Program for Monitoring, Stakeholder Involvement, and Risk Communication Relating to Mercury in Fish in the Bay-Delta Watershed*, subject to the conditions noted in Attachment 1. CEQA – “Class 6” categorical exemption (research).
- \$1,840,791 to the Sonoma Ecology Center for its project: *Arundo Eradication and Coordination – Phase II*. CEQA – Department of Fish and Game lead agency; approval of grant funding conditioned upon CEQA compliance.

CERTIFICATION

The undersigned Assistant to the California Bay-Delta Authority does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the California Bay-Delta Authority held on August 10, 2004.

Dated: _____

Heidi Rooks
Assistant to the California Bay-Delta Authority